

Budget Brief – Subcommittee Overview

NUMBER CFGO-07-01

SUMMARY

The Capital Facilities and Government Operations (CFGO) Appropriations Subcommittee reviews and approves the budgets for seven principal areas of state government. The subcommittee makes recommendations to the Executive Appropriations Committee and the whole Legislature for final approval. In doing so, the subcommittee can choose to reallocate funding in base budgets and/or prioritize funding increases. The areas for which this subcommittee is responsible are:

- Capitol Preservation Board
- Career Service Review Board
- Department of Administrative Services
- Department of Human Resource Management
- Department of Technology Services
- Capital Facilities
- Debt Service

2006 G.S. Organizational Changes

During the 2006 General Session the Legislature decided to keep the Department of Human Resource Management rather than make it a division within the Department of Administrative Services.

The Legislature also passed S.B. 214, Office of State Debt Collection Amendments, which changed the Office of State Debt Collection from an internal service fund to a restricted special revenue fund. The subcommittee will continue to oversee its budget.

Subcommittee Assignment Changes

In the last two General Sessions the subcommittee has received several agency changes, including taking on the Department of Human Resource Management (appropriated and the new internal service fund), the Career Service Review Board, and the Department of Technology Services (appropriated and internal service fund) which was formerly in DAS but is now larger in size and scope than before.

FY 2007 Appropriation Total

Not including internal service funds, the Legislature appropriated a total FY 2007 subcommittee budget of \$499,105,600, which included state funds (General and Education Funds) of \$309,574,300 (with \$125,598,100 being one-time).

Figure 1: Capital Facilities and Government Operations - Budget History

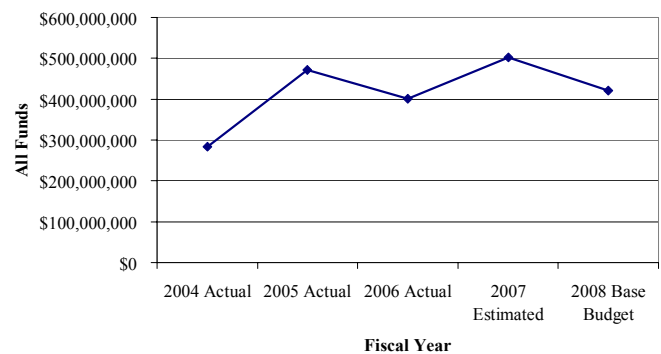


Figure 2: Capital Facilities and Government Operations - FTE History

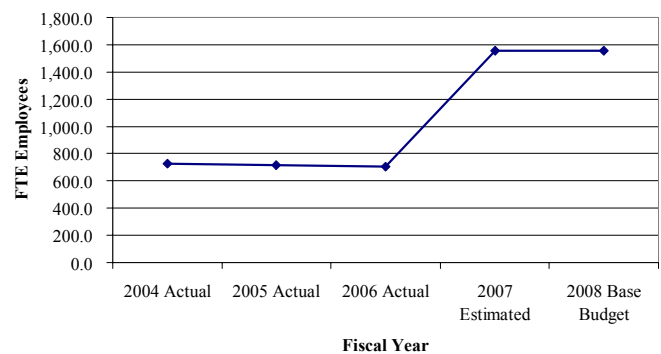
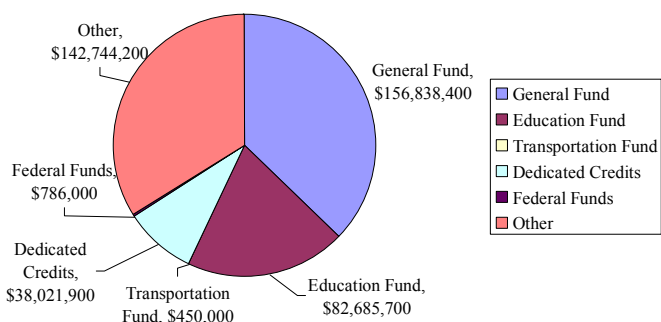


Figure 3: Capital Facilities and Government Operations - FY 2008 Funding Mix



BUDGET DETAIL

The following table shows a history of state funds in the CFAS subcommittee. The Analyst will recommend various state fund increases and decreases for FY 2008, as shown on page 3.

State Funds History - Capital Facilities and Government Operations Appropriations Subcommittee						
Line Item	FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Actual</u>	FY06 <u>Actual</u>	FY07 <u>Estimate</u>	FY08 Ongoing <u>Base</u>
Capitol Preservation Board	2,202,000	2,166,000	2,294,300	2,358,400	2,571,900	2,484,600
Career Service Review Board	159,500	202,700	174,800	189,800	217,800	218,300
DAS Executive Director	761,700	787,200	772,100	931,200	814,600	816,900
DAS Auto Geographic Ref Ctr	360,600	674,300				
DAS Administrative Rules	272,200	335,500	287,600	301,900	337,900	338,800
DAS DFCM Admin	81,300	81,300	231,300	1,198,300	2,418,200	2,424,400
DAS Archives	2,000,400	1,874,300	2,025,400	2,201,200	2,237,900	2,242,500
DAS Finance	5,906,000	8,942,500	6,080,600	6,293,000	6,731,700	6,748,700
DAS Finance - Mandated	482,600	932,600	7,482,600	532,600	1,532,600	532,600
DAS Judicial Conduct Cmn	218,500	221,100	224,200	229,200	243,900	244,500
DAS Purchasing	1,212,400	1,242,300	1,353,800	1,417,900	1,532,300	1,536,700
DAS Child Welfare Parental Def			239,000			
<i>Subtotal DAS Appropriated</i>	11,295,700	15,091,100	18,696,600	13,105,300	15,849,100	14,885,100
Dept Human Resource Mgt	2,797,000	2,888,200	2,961,700	3,066,900	3,187,300	3,196,500
DTS Chief Information Officer	367,000	542,500	556,100	972,200	608,800	610,400
DTS Auto Geographic Ref Ctr			893,900	726,800	1,712,100	816,000
DTS Technology Projects					7,000,000	
<i>Subtotal DTS Appropriated</i>	367,000	542,500	1,450,000	1,699,000	9,320,900	1,426,400
Capital Improvements	40,406,700	38,514,700	43,976,900	56,161,600	62,921,300	73,059,900
Capital Development		1,870,000	98,488,000	42,124,200	138,692,000	30,000,000
Building/Land Purchase			5,125,500		7,970,000	
<i>Subtotal Capital Budget</i>	40,406,700	40,384,700	147,590,400	98,285,800	209,583,300	103,059,900
Debt Service	66,300,400	75,528,600	80,568,300	77,044,000	68,844,000	68,844,000
Rainy Day Funds			10,351,500	24,100,000		45,409,300
Total CFAS Subcommittee	123,528,300	136,803,800	264,087,600	219,849,200	309,574,300	239,524,100

Summary of Recommendations

The table on page 3 shows the Analyst's recommendations for actions during the 2007 General Session. More detail will be provided in the Budget Briefs for each particular line item. The subcommittee may wish to move funds between line items as it gathers more detailed information later. This list does not include specific recommendations for capital development projects.

Capital Facilities and Government Operations Appropriations Subcommittee
Summary of Analyst's Recommendations (No Priority Order)

<u>Agency</u>	<u>Division</u>	<u>Description</u>	<u>Ongoing Amount</u>	<u>One-Time Amount</u>	<u>Fund Source</u>
CPB	CPB	Re-Opening of Capital - Public Information Officer	\$99,500		GF
CPB	CPB	Re-Opening of Capital - Visitor Services Development		\$240,000	GF
CPB	CPB	Re-Opening of Capital - Visitor Services Development		\$100,000	DC
CPB	CPB	Re-Opening of Capital - Special Events		\$250,000	GF
CPB	CPB	Re-Opening of Capital - Wireless Comm Phase 2		\$750,000	GF
DAS	Finance	Retirement Office Pass-Through	(\$50,000)	(\$250,000)	GF
DAS	Exec Dir	DTS Support	\$60,000		GF
DAS	DFCM	State Buildings Energy Efficiency Projects		\$1,500,000	GF
DAS	Archives	Electronic Record Growth		\$100,000	GF
DAS	Archives	Public Access to Digitized Collection	\$55,000		GF
DAS	Rules	Replace eRules Software		\$71,500	GF
DAS	Finance	McAllister Fund Open Space Preservation		\$2,000,000	GF
DAS-ISF	Fleet Ops	Increase FY 2007 authorized capital outlay by \$2,921,500			
DAS-ISF	Risk Mgt	Internal reallocations to lower the Property rate increase			
DAS-ISF	DFCM	1 FTE for Capitol Hill (Janitorial Supervisor)			
DAS-ISF	Gen Serv	2 FTEs for Central Mail/P-Card			
DHRM	DHRM	Lapse/Spend Funds in Flex Benefits Program		(\$10,200)	NL
DHRM-ISF	Payroll	0.5 FTE FY08; 0.25 FTE FY07: DABC Payroll			
Capital	Capital	Capital Developments: \$100M to \$200M One-Time			
Capital	Capital	\$10,138,600 for Capital Improvements (already adopted)			
DTS	DTS	DPS Databases	\$462,000	\$3,000,000	GF
DTS	DTS	DPS Continuity of Operations		\$408,000	GF
DTS	DTS	Tax System Modernization		\$5,000,000	GF
Various	Various	Intent Language for Nonlapsing Appropriations			

Other budget issues that the Analyst will present include:

- Internal Service Funds – Rate adjustments
- Capital Development Projects

LEGISLATIVE ACTION

The Executive Appropriations Committee (EAC) has allocated last year's ongoing state funds appropriation, plus this year's statutorily required funding for Capital Improvements, as this year's beginning base budget. The EAC requests that the subcommittee adopt base budgets for each agency under the subcommittee's purview, fund subcommittee priorities by reallocating revenue among programs, and provide a prioritized list of desired items for funding.

Base Budget Adoption

Adoption of a base budget enables programs to continue for the next fiscal year at relatively the same budget level as the current fiscal year. Legislative rule requires a base appropriation bill passed by the 10th day of the session. Some changes in base budgets may occur in non-state funds or program shifts within a line item, but the Analyst will not recommend increases to state funds or restricted funds in the base budgets except to the Capital Improvements line item as mentioned previously.

Compensation Package Not Discussed

The Analyst's recommendations do not currently discuss personal services. In order to avoid inequities between agencies and subcommittees, the Executive Appropriations Committee sets compensation and benefits changes statewide.

BUDGET DETAIL TABLE

Capital Facilities & Government Operations						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
General Fund	130,686,800	119,793,400	0	119,793,400	5,069,300	124,862,700
General Fund, One-time	1,205,100	76,764,900	0	76,764,900	(44,789,200)	31,975,700
Uniform School Fund	17,164,300	0	0	0	0	0
Uniform School Fund, One-time	24,000,000	0	0	0	13,433,600	13,433,600
Education Fund	40,258,800	64,182,800	0	64,182,800	5,069,300	69,252,100
Education Fund, One-time	6,534,200	48,833,200	0	48,833,200	(48,833,200)	0
Transportation Fund	450,000	450,000	0	450,000	0	450,000
Transportation Fund, One-time	1,457,000	1,200,000	0	1,200,000	(1,200,000)	0
Centennial Highway Fund	126,393,400	127,976,800	(127,976,800)	0	127,976,800	127,976,800
Centennial Highway Fund, One-time	0	0	127,976,800	127,976,800	(127,976,800)	0
Federal Funds	2,094,600	416,700	1,246,800	1,663,500	(877,500)	786,000
Dedicated Credits Revenue	29,098,900	47,133,400	(129,000)	47,004,400	(8,982,500)	38,021,900
Restricted Revenue	15,700	0	0	0	0	0
GFR - E-911 Emergency Services	250,000	250,000	0	250,000	0	250,000
GFR - Econ Incent Restr Acct	981,900	1,528,000	0	1,528,000	0	1,528,000
GFR - ISF Overhead	1,272,400	1,272,400	0	1,272,400	0	1,272,400
TFR - Public Transp. System Tax	7,204,400	7,204,400	0	7,204,400	0	7,204,400
Transfers	7,769,700	41,400	0	41,400	0	41,400
Risk Management ISF	2,565,900	0	0	0	0	0
Capital Project Fund	1,638,100	1,764,100	0	1,764,100	0	1,764,100
Project Reserve Fund	200,000	200,000	0	200,000	0	200,000
Contingency Reserve Fund	3,599,200	82,300	0	82,300	0	82,300
Beginning Nonlapsing	23,758,400	9,835,300	17,255,500	27,090,800	(1,565,100)	25,525,700
Closing Nonlapsing	(27,090,800)	(9,823,500)	(15,702,200)	(25,525,700)	2,424,800	(23,100,900)
Lapsing Balance	(983,000)	0	0	0	0	0
Total	\$400,525,000	\$499,105,600	\$2,671,100	\$501,776,700	(\$80,250,500)	\$421,526,200
Agencies						
Capitol Preservation Board	2,731,100	2,884,400	57,700	2,942,100	(77,800)	2,864,300
Administrative Services	25,511,800	24,926,100	1,255,300	26,181,400	(2,243,400)	23,938,000
Human Resource Management	3,225,900	3,899,300	370,800	4,270,100	(673,600)	3,596,500
Career Service Review Board	190,500	217,800	200	218,000	300	218,300
Capital Budget	104,545,600	210,783,300	0	210,783,300	(107,723,400)	103,059,900
Debt Service	235,436,500	236,594,800	(839,200)	235,755,600	3,777,200	239,532,800
Technology Services	3,283,600	19,799,900	1,826,300	21,626,200	(18,719,100)	2,907,100
Restricted Revenue - CFAS	25,600,000	0	0	0	45,409,300	45,409,300
Total	\$400,525,000	\$499,105,600	\$2,671,100	\$501,776,700	(\$80,250,500)	\$421,526,200
Categories of Expenditure						
Personal Services	17,532,500	20,182,600	(3,620,500)	16,562,100	(47,700)	16,514,400
In-State Travel	188,400	110,200	32,600	142,800	54,600	197,400
Out of State Travel	112,500	101,400	76,300	177,700	(64,700)	113,000
Current Expense	241,259,800	243,083,100	(732,800)	242,350,300	3,171,400	245,521,700
DP Current Expense	2,757,600	13,647,700	9,557,200	23,204,900	(16,654,900)	6,550,000
DP Capital Outlay	3,214,700	1,176,800	1,203,000	2,379,800	(886,100)	1,493,700
Capital Outlay	55,000	0	17,300	17,300	(14,800)	2,500
Other Charges/Pass Thru	135,404,500	220,803,800	(3,862,000)	216,941,800	(65,808,300)	151,133,500
Total	\$400,525,000	\$499,105,600	\$2,671,100	\$501,776,700	(\$80,250,500)	\$421,526,200
Other Data						
Budgeted FTE	969.4	1,592.1	(37.0)	1,555.1	0.5	1,555.6
Actual FTE	702.7	0.0	0.0	0.0	0.0	0.0
Authorized Capital Outlay	20,904,000	40,944,600	(781,800)	40,162,800	(21,702,800)	18,460,000
Retained Earnings	30,247,300	20,092,100	71,100	20,163,200	(3,271,400)	16,891,800
Vehicles	190	279	(86)	193	15	208

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.